Who’ll lose on Brexit battered Britain?

Global views

LUXE style isn’t what it used to be

HOWARD YU

Luxury style ain’t what it used to be. The views do not necessarily reflect those of China Daily. The views do not necessarily reflect those of China Daily.

In a market opening, every- one’s got a good follow-up when the talk goes on, Warren Buffett once said. “Do you discover which one is wanting naked.” The opening of the Chinese market over the past three decades has been as perpetual, businesses to China seems immune from global turbulence. That held true until the tale went out. If we look at the number of forecasts for the first time in 17 years, we have to make a new nu- nit of the economic slowdown in China.

But if the big West Coast tech company is feeling the squeeze, then Europe’s biggest luxury brands – Louis Vuitton, Gucci, Hermes, Burberry – must be feel- ing themselves for a long time. This does not come without warn- ing. In October, the French luxury goods conglomerate LVMH saw its share price decline, despite robust sales growth overall, when the Chi- nese showed the first signs of waning demand for high-end goods. The company’s shares were down by as much as 15 percent in the last three months in early November, well beyond the annual market decline. The company, however, said the drop was not necessarily the result of declining consumer demand, but rather a response to increased competition from other luxury brands.

In fact, the luxury market in China has grown rapidly in recent years, driven by a growing middle class and increasing consumer confidence. However, the market is still highly dependent on Chinese consumers, who account for a significant portion of luxury sales in China. While the Chinese market is expected to remain strong, there are concerns about the future of the luxury market, as the country continues to face economic challenges.

The shifts in consumer behavior and preferences have led to a variety of changes in the luxury industry. Brands are increasingly focusing on digital marketing and e-commerce, as well as expanding their offerings to include more affordable products. At the same time, there is a growing trend towards sustainability and environmental responsibility.

The future of luxury brands is already here for those that adapt to how technology is changing the way people buy. The authors are professors of Manage- ment at IMD Business School in Switzerland. The authors contribut- ed this article to China Watch, a think tank powered by China Daily. The views do not necessarily reflect those of China Daily.